

## Annexation in North Carolina

North Carolina had perhaps the best annexation law in the country. It was a model for other states who wish to allow their municipalities to develop and retain strong fiscal health and to allow those municipalities to provide services more effectively. The purpose of annexing is to grow a town's municipal limits commensurate with the actual urban development occurring around it. That results in being able to provide services better and to expand the tax base in order to be able to fund those services and remain fiscally healthy.

When property owners live immediately adjacent to the city limits, receive the benefits of the shopping and other service amenities, and add to the wear and tear of streets and the number of police and fire calls, they are in fact a part of that community. While they may not want to pay municipal taxes, they do want to live in close proximity to a town, and they use the services and amenities available in the municipality. They routinely drive on city streets but do not pay for the maintenance of these streets. They use municipal leisure and cultural services but don't pay for the full costs of such services. It is reasonable, therefore, that they are annexed and through their city taxes pay a portion of the cost of those municipal services.

Previous annexation law allowed cities to grow by adding contiguous areas to their tax base and making cities better able to meet demands for infrastructure and services. This aided in enhancing and maintaining the economic strength of municipalities and also the regions surrounding them. It is not mere coincidence that of the nation's 25 or so cities of 100,000 population or greater that have triple A (AAA) ratings with the bonding agencies that 6 of them are in North Carolina, well more than any other state. It is in great part because the previous NC annexation law promoted orderly growth and fiscal health.

Planned, orderly growth through annexation also helps prevent the proliferation of governmental units in a concentrated area of cities and towns. Multiple units of government in a particular area usually leads to duplication of services. In the long run this leads to higher costs for services, and more tax burden on the property owners of the municipalities involved who lose the benefit of economies of scale.

It is in the public interest to keep towns financially, socially and economically strong. No one likes paying taxes, but being part of a community means more than receiving the benefits of being close to the town. It means becoming a full partner of the town so that all the people in an urban area will be invested in their economic future.